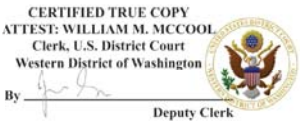
Magistrate Judge Michelle L. Peterson



UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA, Plaintiff v. ERIC SHIBLEY, Defendant.	CASE NO. MJ20-385 COMPLAINT for VIOLATIONS OF Title 18, United States Code, Sections 2, 1343, & 1344(2)

BEFORE, Michelle L. Peterson, United States Magistrate Judge, U. S. Courthouse, Seattle, Washington.

The undersigned complainant being duly sworn states:

COUNT ONE

(Wire Fraud)

From in or around April 2020 through in or around June 2020, at Seattle, in the Western District of Washington and elsewhere, ERIC SHIBLEY, the defendant, knowingly devised and intended to devise a scheme and artifice to defraud the United States, and to obtain money and property by means of false and fraudulent pretenses, representations and promises, and attempted to do so.

A. Manner and Means

1. It was part of the scheme to defraud that SHIBLEY submitted false and

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

misleading loan applications to various financial institutions in order to obtain millions of dollars in funds related to the Paycheck Protection Program and Economic Injury Disaster Loan program.

2. It was further part of the scheme to defraud that SHIBLEY submitted a loan application to Financial Institution 1 seeking more than $560,000 in funds under the Paycheck Protection Program on behalf of Dituri Construction LLC.

3. SHIBLEY included in the loan application multiple material false statements, including, but not limited to:

a. That, as of February 15, 2020, Dituri Construction LLC was in operation and had employees for which it paid unemployment taxes or independent contractors for which it provided MISC-1099s;

b. That Dituri Construction LLC had monthly payroll expenses of $225,400; and

c. That SHIBLEY was not currently on probation.

B. Execution

On or about April 30, 2020, at Seattle, in the Western District of Washington and elsewhere, SHIBLEY, for the purpose of executing the scheme described above transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, to wit, the transmission of a Paycheck Protection Program loan application on behalf of Dituri Construction LLC from the Western District of Washington to Financial Institution 1's servers in Utah.

All in violation of Title 18, United States Code, Sections 1343 and 2.

COUNT TWO

(Bank Fraud)

From in or around April 2020 through in or around June 2020, at Seattle, in the Western District of Washington and elsewhere, SHIBLEY, the defendant, knowingly executed, and attempted to execute, a scheme to obtain monies owned and under the care,

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

custody, and control of Financial Institution 1, a federally insured financial institution as defined by Title 18, United States Code, Section 20, by means of false and fraudulent pretenses, representations, and promises.

A. Manner and Means

1. It was part of the scheme to defraud that SHIBLEY submitted a loan application to Financial Institution 1 seeking more than $560,000 in funds under the Paycheck Protection Program on behalf of Dituri Construction LLC.

2. SHIBLEY included in the loan application multiple material false statements, including, but not limited to:

a. That, as of February 15, 2020, Dituri Construction LLC was in operation and had employees for which it paid unemployment taxes or independent contractors for which it provided MISC-1099s;

b. That Dituri Construction LLC had monthly payroll expenses of $225,400; and

c. That SHIBLEY was not currently on probation.

B. Execution

On or about April 30, 2020, at Seattle, in the Western District of Washington and elsewhere, SHIBLEY submitted a loan application in the name of Dituri Construction LLC to Financial Institution 1, and that loan application contained materially false statements.

All in violation of Title 18, United States Code, Sections 1344 and 2.

And the complainant states that this Complaint is based on the following information:

I, KATHLEEN MORAN, being first duly sworn on oath, depose and say:

1. I am a Special Agent of the Federal Bureau of Investigation ("FBI") currently assigned to the white-collar crime squad in the Seattle Field Division. I have been employed as a Special Agent of the FBI since May 2005. I have received basic federal law enforcement training, including the training at the FBI Academy, as well as other specialized federal law enforcement training. I have investigated violations of federal

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

statutes governing various types of white-collar crime, including wire fraud, mail fraud, bank fraud, securities fraud, money laundering, and theft of government and public money. I have been a sworn law enforcement officer during all times herein.

2. The information contained in this Complaint is the result of my own investigation as well as information provided to me by others, including other investigators and law enforcement officers. In each instance when I recite information from such others, I have gained that information either by talking directly to such investigators and law enforcement officers or reviewing written reports of their investigation, or both. This Complaint accurately summarizes some of the evidence I discovered during my investigation; it does not, however, contain every detail known to me about the investigation.

FACTS ESTABLISHING PROBABLE CAUSE

The Paycheck Protection Program

3. The Coronavirus Aid, Relief, and Economic Security ("CARES") Act is a federal law enacted in or around March 2020 and designed to provide emergency financial assistance to the millions of Americans who are suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of up to $349 billion in forgivable loans to small businesses for job retention and certain other expenses, through a program referred to as the Paycheck Protection Program ("PPP"). In or around April 2020, Congress authorized over $300 billion in additional PPP funding.

4. In order to obtain a PPP loan, a qualifying business must submit a PPP loan application, which is signed by an authorized representative of the business. The PPP loan application requires the business (through its authorized representative) to acknowledge the program rules and make certain affirmative certifications in order to be eligible to obtain the PPP loan. In the PPP loan application, the small business (through its authorized representative) must state, among other things, its: (a) average monthly payroll expenses; and (b) number of employees. These figures are used to calculate the amount of money

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

the small business is eligible to receive under the PPP. In addition, businesses applying for a PPP loan must provide documentation showing their payroll expenses.

5. A PPP loan application must be processed by a participating financial institution (the lender). If a PPP loan application is approved, the participating financial institution funds the PPP loan using its own monies, which are 100% guaranteed by Small Business Administration (SBA). Data from the application, including information about the borrower, the total amount of the loan, and the listed number of employees, is transmitted by the lender to the SBA in the course of processing the loan.

6. PPP loan proceeds must be used by the business on certain permissible expenses—payroll costs, interest on mortgages, rent, and utilities. The PPP allows the interest and principal on the PPP loan to be entirely forgiven if the business spends the loan proceeds on these expense items within a designated period of time and uses a certain percentage of the PPP loan proceeds on payroll expenses.

The Economic Injury Disaster Relief Program

7. The Economic Injury Disaster Loan ("EIDL") program is a U.S. Small Business Administration ("SBA") program that provides low-interest financing to small businesses, renters, and homeowners in regions affected by declared disasters.

8. The CARES Act also authorizes the SBA to provide EIDLs of up to $2 million to eligible small businesses experiencing substantial financial disruption due to the COVID-19 pandemic. In addition, the CARES Act authorized the SBA to issue advances of up to $10,000 to small businesses within three days of applying for an EIDL. The amount of the advance is determined by the number of employees the applicant certifies having. The advances do not have to be repaid.

9. In order to obtain an EIDL and advance, a qualifying business must submit an application to the SBA and provide information about its operations, such as the number of employees, gross revenues for the 12-month period preceding the disaster, and cost of goods sold in the 12-month period preceding the disaster. In the case of EIDLs for COVID-19 relief, the 12-month period was that preceding January 31, 2020. The applicant must

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

also certify that all of the information in the application is true and correct to the best of the applicant's knowledge.

10. EIDL applications are submitted directly to the SBA and processed by the agency with support from a government contractor, Rapid Finance. The amount of the loan, if the application is approved, is determined based, in part, on the information provided by the application about employment, revenue, and cost of goods, as described above. Any funds issued under an EIDL or advance are issued directly by the SBA. EIDL funds can be used for payroll expenses, sick leave, production costs, and business obligations, such as debts, rent, and mortgage payments. If the applicant also obtains a loan under the PPP, the EIDL funds cannot be used for the same purpose as the PPP funds.

SHIBLEY and Individual 1

11. SHIBLEY is a citizen of the United States. According to public records, SHIBLEY is a medical doctor. According to records available on the Washington State Department of Health website, the status of SHIBLEY's license to practice medicine is identified as "summary restriction" due to allegations of unprofessional conduct. According to information obtained in the investigation, SHIBLEY's office address is located in Seattle, Washington ("the SHIBLEY Address"). The investigation has revealed that SHIBLEY appears to reside, at least some of the time, at this address as well.

a. According to records from the Anacortes Municipal Court, located in Anacortes, Washington, SHIBLEY pled guilty to a Violation of a No Contact Order, a criminal misdemeanor under Washington State law, on December 13, 2018 and was sentenced to a jail term of 364 days, with 334 days suspended, a $5,000 fine, and two years' probation.[1] The case number is AC17582. SHIBLEY is currently on probation until December 13, 2020. An agent spoke with SHIBLEY's Probation Officer on or about May 26, 2020, and she confirmed SHIBLEY remains on probation through December 13, 2020.

---

[1] According to SHIBLEY's Probation Officer, SHIBLEY was allowed to serve the 30 days that was not suspended on Electronic Home Monitoring.

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

b. According to information obtained from SHIBLEY's Probation Officer, SHIBLEY last met with her on or about January 23, 2020. Further, he was supposed to report to her on or about March 9, 2020 but did not do so. On or about May 13, 2019, SHIBLEY signed a document which noted his probation did not terminate until December 2020.

c. According to information received from the Washington State Employment Security Department ("WA ESD"), SHIBLEY applied for unemployment benefits on or about April 21, 2020, under a provision of the CARES Act that provides for unemployment benefits for independent contractors or self-employed individuals whose work has been affected by the COVID-19 public health emergency, who may not be eligible otherwise for state unemployment. SHIBLEY received unemployment benefits in the form of weekly payments covering the weeks from on or about March 7, 2020 through at least on or about May 16, 2020.

12. Individual 1 is a resident of Seattle, Washington. According to Washington state records, on or about October 22, 2019, Individual 1 was charged in Washington State on state felony drug charges. Individual 1 was arrested on or about April 21, 2020, for failing to appear in the pending case that resulted from the October 2019 charges.

Internet and Phone Records

13. Records obtained from Comcast show that a subscriber by the name of Shibley Medical was assigned an IPv4 address and an IPv6 address ("the SHIBLEY IP Address").[2] Records from Comcast show that the subscription address was the SHIBLEY Address.

14. Phone Number 1 is listed as the contact number on the Shibley Medical

---

[2] There are two (2) types of IP addresses commonly used by ISPs: IP version 4 ("IPv4") and IP version 6 ("IPv6"). It is common to have an Internet Service Provider ("ISP") assign both IPv4 and IPv6 to the same subscriber, and as a result, ISPs may provide a single subscriber an IPv4 address and an IPv6 address. For ease of reference, I refer to these collectively as the SHIBLEY IP Address

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

website (www.shibley-medical.com), which is the website for SHIBLEY'S medical practice. The website lists the office address as the SHIBLEY Address, the same address used on SHIBLEY's driver's license. The government has obtained records related to Phone Number 1. Subscriber records show that the number is a Comcast provided number. The Subscriber is Shibley Medical and the address for the account is the SHIBLEY Address.

Dituri Construction LLC and Related Entities

15. On or about January 9, 2020, an EIN ending in 8508 was obtained from the Internal Revenue Service ("IRS"), for Dituri Construction LLC. The business address provided at the time of application for the EIN assignment was an address in Seattle, Washington later identified as the residence of Individual 1. The EIN was requested by an individual using the Social Security Number of Individual 1.

16. According to records from the WA SOS, on or about April 30, 2020—nine days after Individual 1's arrest for failure to appear—documents were filed with the WA SOS purporting to transfer ownership of Dituri Construction LLC to SHIBLEY. A new Operating Agreement was filed with the WA SOS, purportedly dated January 7, 2020, and signed by Individual 1 and SHIBLEY. The Operating Agreement stated that SHIBLEY owned 90 percent of the company, while Individual 1 owned 10 percent. Separately, the government has obtained a copy of what purports to be the "Purchase Agreement" between SHIBLEY and Individual 1 for the sale of Dituri Construction, LLC, in which SHIBLEY purported to buy an ownership interest in exchange for a sale price of $10.00. The Purchase Agreement's listed execution date is on or about May 9, 2020.

17. Records from two U.S. financial institutions show that after SHIBLEY purported to acquire Dituri Construction LLC, he opened several bank accounts in the name of the entity. On or about April 30, 2020, SHIBLEY opened two accounts in the name of Dituri Construction LLC at Financial Institution 2. On or about June 3, 2020, SHIBLEY opened three accounts in the name of Dituri Construction LLC at Financial Institution 3.

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

18. IRS records show that on or about May 28, 2020, an EIN ending in 8667 was obtained from the IRS on behalf of a purported entity called Dituri Construction (without an "LLC" or any other corporate identifier at the end of the name). The business address provided at the time of application was the SHIBLEY Address. Similarly, records from the IRS and the internet provider Comcast show that the IP address used to apply for the EIN was the SHIBLEY IP Address.

19. IRS records show that on or about May 29, 2020, an EIN ending in 1739 was obtained from the IRS on behalf of a purported entity called "Thomas Dituri Construction." According to records provided by the IRS and Comcast, the EIN was requested from the SHIBLEY IP Address.

Fraudulent PPP Loan Application Submitted to Financial Institution 1 for Dituri Construction LLC

20. Financial Institution 1 is a federally insured bank headquartered in Salt Lake City, Utah. Financial Institution 1 is an SBA Approved Lender and has participated as a PPP lender to small businesses. Financial Institution 1's servers are located in Utah.

21. According to records provided by Financial Institution 1, on or about April 30, 2020, SHIBLEY digitally signed and submitted an application package in support of a $563,500 PPP loan for Dituri Construction LLC. (The date of submission was the same date as the purported transfer of a 90 percent ownership interest in Dituri Construction LLC from Individual 1 to SHIBLEY). According to records provided by Financial Institution 1, the final loan application package was submitted from the SHIBLEY IP Address.

22. Financial Institution 1 provided the government the SBA Form 2483 submitted with Dituri Construction LLC's PPP loan application and bearing a signature in SHIBLEY's name. The application identified SHIBLEY as a 90 percent owner of the business, the SHIBLEY Address as the business address, and Phone Number 1 as the business phone number. The application did not identify who owned the remaining 10 percent of the entity.

23. The Form 2483 submitted to Financial Institution 1 represented that Dituri

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

Construction LLC had an average monthly payroll of $225,400 and 49 employees. With the application, SHIBLEY submitted what purported to be an IRS Form 941, Employer's Quarterly Federal Tax Return, for Dituri Construction LLC for the first quarter of 2020. According to the form, between January and March 2020, Dituri Construction LLC paid $392,000 in wages to 49 employees and withheld no federal income taxes from those wages. The form purported to report that Dituri Construction LLC owed $59,976 in federal employment related taxes for the first quarter of 2020. The form purports to be signed by SHIBLEY and is dated April 28, 2020, two days before SHIBLEY submitted a PPP loan application for Dituri Construction LLC.

24. SHIBLEY made several false certifications in support of the loan application for Dituri Construction LLC:

a. For example, SHIBLEY answered "no," and initialed by the response, to Question 5 on the application: "Is the Applicant (if an individual) or any individual owning 20 percent or more of the equity of the Applicant subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction, or presently incarcerated, or on probation or parole." (The application notes that "If questions (5) or (6) are answered 'Yes,' the loan will not be approved.") In fact, as described above, SHIBLEY was on probation at the time he submitted the application on behalf of Dituri Construction LLC.

b. SHIBLEY also certified that Dituri Construction LLC "was in operation on February 15, 2020 and has employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC." This was false. As described further below, evidence gathered in the investigation demonstrates that Dituri Construction LLC has no apparent employees for which it pays federal payroll taxes and the Form 941 SHIBLEY provided in support of the PPP loan application is fake. In addition, according to information from the WA ESD, "From January 1, 2017 through March 31, 2020, our records fail to disclose any employer quarterly reports being submitted by [Dituri Construction LLC; ending in the last four digits 8508]." Therefore, there is no

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

evidence that, as of February 15, 2020, Dituri Construction LLC had employees for whom it paid state payroll taxes.

25. On or about May 4, 2020, Financial Institution 1 approved the full loan amount of $563,500. On or about May 6, 2020, Financial Institution 1 disbursed the loan funds to one of the accounts in the name of Dituri Construction LLC at Financial Institution 2 that SHIBLEY had opened on or about April 30, 2020, the same day the Dituri Construction LLC loan application was submitted to Financial Institution 1.

Recorded Call and Subsequent Emails with SHIBLEY about the PPP Application

26. On or about May 27, 2020, an agent posing as a representative of Financial Institution 1 called Phone Number 1. After no one answered, the agent left a voicemail message. An individual called the agent back from a different phone number identifying himself as SHIBLEY and providing the last four digits of SHIBLEY's Social Security Number to confirm his identification. The call was recorded (hereinafter the "May 27 Recorded Call"). During the call, SHIBLEY was asked whether he was on any type of parole or probation in relation to the violation of no-contact order charge described above. The agent also explained that, if SHIBLEY was currently on probation, that was disqualifying. SHIBLEY provided various responses, including that he was not on probation, that the charge for violating the no-contact order had been dismissed, and that the case had wrapped up a long time ago. Based on information obtained from SHIBLEY's Probation Officer, described above, these statements were false.

27. During the May 27 recorded call, SHIBLEY was also asked about the IRS Form 941 he submitted with the Dituri Construction LLC application. In response, SHIBLEY stated that the IRS Form 941 he submitted with the application had not actually been filed with the IRS, because he was behind on his taxes by a couple of years. Accordingly, as of February 15, 2020, Dituri Construction LLC did not have employees for whom it paid federal payroll taxes.

28. During the May 27 recorded call, SHIBLEY agreed to submit several names of employees to Financial Institution 1 to verify the employment representations in the

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

application for Dituri Construction LLC.

29. On or about May 28, 2020, an individual identifying himself as SHIBLEY and using the email address shibley98126@gmail.com, emailed Financial Institution 1 a list of seven names of purported employees with what he claimed to be the last four digits of each individual's Social Security Number and phone number. In the email, SHIBLEY told Financial Institution 1 that the employees "know me by name and 'A Team.'" Based on the investigation, "A Team" is believed to be a reference to The A Team Holdings LLC, one of the Shibley entities under which SHIBLEY applied for and obtained a PPP loan in the amount of $960,000. Based on my training and experience, SHIBLEY's email suggests that he is not operating an active business under the name of Dituri Construction LLC and may have used the same business to apply for multiple PPP loans.

Interviews of Purported Dituri Construction LLC Employees Indicate They Did Not Work for the Company

30. Further investigation has also revealed that none of the individuals that SHIBLEY claimed to work for Dituri Construction LLC actually work for the entity. Based on my training and experience, this suggests that Dituri Construction LLC does not have employees as SHIBLEY represented.

31. An initial search of law enforcement databases has revealed that the name and last four digits of the Social Security Number given for one of the purported employees, S.M., is associated with an individual that has been deceased since 1987.

32. The name and last four digits of the Social Security Number provided for another purported employee are associated with an individual, L.V., whom I interviewed on or about June 18, 2020. The individual told me that she has never heard of or been employed by SHIBLEY, Dituri Construction LLC, or any of his other entities. She also relayed that she has been employed by her current employer, which is unrelated to SHIBLEY, since September 2017.

33. In separate recorded calls on or about June 5, 2020, with an agent posing as a representative of Lender 2, purported employees E.P. and R.R. both claimed to work for

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

"A Team." In another recorded call on or about June 5, 2020, purported employee C.C.L stated she was a house cleaner and personal assistant for SHIBLEY. She stated she worked for either "A Team" or "SS1."

34. Another purported employee, M.T., was interviewed on or about June 10, 2020. M.T. told agents that he worked for "ELS LLC" doing plumbing work and other renovation projects since in or around October 2019. According to M.T., ELS LLC is the only company he knows of that SHIBLEY owns and the only company of SHIBLEY's for which he has worked.

35. Another purported employee, D.S., was interviewed on June 10, 2020, and told agents, including myself, that he has worked for SHIBLEY since in or around October 2019 doing home renovations. He reported that he is paid in cash and does not know the name of the company he works for, though he thinks that information would be on the packet of information he received when he began work. He also reported that he is paid by the job, not by the hour.

36. Based on my training and experience, the statements of E.P., R.R., C.C.L., M.T., and D.S. suggest that SHIBLEY is not operating an active business under the name of Dituri Construction LLC and may have used the same business to apply for multiple PPP loans under different entity names.

Additional PPP Loan Applications by SHIBLEY in the Name of Dituri Construction LLC

37. Separate from the funded PPP loan application to Financial Institution 1, the investigation has revealed that SHIBLEY submitted PPP loan applications in the name of Dituri Construction LLC to other SBA lenders, including a non-bank lender (Lender 1). However, a comparison of these PPP applications show that SHIBLEY provided inconsistent information about the company to different lenders.

38. As part of the supporting documentation submitted on behalf of Dituri Construction LLC, SHIBLEY provided both Financial Institution 1 and Lender 1 purported IRS Forms 941 for the first quarter of 2020. However, a comparison of the two IRS Form

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

941's show SHIBLEY reported different total wages to the two different lenders. According to the Form 941 submitted to Lender 1, which was purportedly signed by SHIBLEY on April 22, 2020, Dituri Construction LLC paid wages and compensation totaling $784,000 in the first quarter of 2020. However, according to the Form 941 provided to Financial Institution 1, which was purportedly signed by SHIBLEY on April 28, 2020, Dituri Construction LLC paid approximately $392,000 in wages and compensation during that period. Based on my training and experience, these discrepancies suggest that the Form 941s are fake and were created specifically to support the specific loan amounts sought in each application.

SHIBLEY's Efforts to Withdraw Large Sums of PPP Loan Proceeds in Cash

39. On or about May 22 and 25, 2020, agents spoke with employees from Financial Institution 2. The employees confirmed that an account at Financial Institution 2 in the name of Dituri Construction LLC had received approximately $563,500 in PPP loan funding. They further relayed that on or about May 13, 2020, SHIBLEY asked to withdraw the Dituri Construction LLC PPP loan funds totaling $563,500 in cash.

40. According to the Financial Institution 2 investigators, SHIBLEY further stated that he would later be requesting a cash withdrawal of $820,000 in PPP funds that had been issued to another company controlled by SHIBLEY (SS1 LLC). When a Financial Institution 2 Investigator asked SHIBLEY the reason for the bulk cash withdrawals, SHIBLEY responded that it was because many of his employees did not have Social Security Numbers, so he pays them in cash. (SHIBLEY's assertion that many of the Dituri Construction LLC and SS1 LLC employees do not have Social Security Numbers is also inconsistent with his provision to Financial Institution 1 of Social Security Numbers for purported Dituri Construction LLC employees on or about May 28, 2020.)

41. On or about May 26, 2020, after learning of the government's investigation, Financial Institution 1 recalled the $563,500 in PPP funds from Financial Institution 2. On or about June 1, 2020, Financial Institution 1 cancelled the loan for Dituri Construction, LLC.

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

42. I have reviewed surveillance videos and photos received from Financial Institution 2. On or about May 13, 2020, video from Financial Institution 2 shows a man matching SHIBLEY's description meeting with Financial Institution 2 representatives.

Other PPP and EIDL Loan Applications Submitted for the Shibley Entities

43. The investigation has revealed that SHIBLEY claims ownership in or has obtained federal Employer Identification Numbers (EIN) for at least ten different businesses (collectively, "the Shibley Entities"), listed below:

Business Name	**Last Four Digits of Employer Identification Number ("EIN")**
Dituri Construction LLC	8508
Dituri Construction	8667
Thomas Dituri Construction	1739
Eric R Shibley MD PLLC d/b/a Shibley Medical	9052
The A Team Holdings LLC	7088
SS1	7509
SS1 LLC	2134
ES1 LLC	5849
Seattle's Finest Cannabis LLC a/k/a SFC LLC	3580
Eric R Shibley MD PLLC	8805
Shibley Foundation	1253

44. WA ESD has no record of any employment tax filings for the following entities listed above: Dituri Construction LLC, The A Team Holdings LLC, SS1, SS1 LLC, Seattle's Finest Cannabis LLC, ES1 LLC, or Eric R Shibley MD PLLC (EIN ending 8805). According to WA ESD, employment tax information has only been filed for Eric R Shibley MD PLLC d/b/a Shibley Medical (EIN ending 9052) for Quarter 1, Quarter 2, and Quarter 3 of 2017. The government has not yet obtained information from WA ESD related to Shibley Foundation, Dituri Construction (EIN ending 8667), and Thomas Dituri Construction (EIN ending 1739).

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

45. In total, the investigation has revealed that at least 12 PPP loan applications and at least 13 EIDL loan applications have been submitted for several of the Shibley Entities. In total, SHIBLEY sought over $3.3 million in PPP and EIDL loan proceeds through these applications.

46. The following PPP loan applications were submitted to the following lenders:

Entity Name / Submitted EIN (Last Four Digits)	**Lender**	**Loan Amount**	**Approx. Date of Application**
Dituri Construction, LLC / 8508	Financial Institution 1	$563,500	4/30/2020
ES1, LLC / 5849	Financial Institution 2	$95,750	4/15/2020
Eric r Shibley, MD, PLLC d/b/a Shibley Medical / 9052	Financial Institution 4	$93,900	5/7/2020
ES1, LLC	Financial Institution 5	$97,000	Unknown[3]
ES1, LLC / 5849	Financial Institution 6	$100,000	4/15/2020
Seattle's Finest Cannabis, LLC / 3580	Financial Institution 6	$100,000	4/25/2020
Eric R Shibley MD PLLC / 9052	Financial Institution 6	$100,000	4/15/2020
SFC, LLC / 8358[4]	Financial Institution 7	$94,000	5/21/2020
The A Team Holdings LLC / 7088	Financial Institution 8 / Lender 1	$960,000	4/12/2020
SFC, LLC / 3580	Financial Institution 8 / Lender 3	$62,600	6/2/2020
SFC, LLC / 3580	Financial Institution 8 / Lender 3	$62,600	6/19/2020
SS1 / 7509	Lender 2	$820,000	4/20/2020

[3] The government is still waiting for certain PPP Loan files from the certain lender, and the information that is unknown at this time is noted in this table.

[4] Based on the investigation, I believe that this application was submitted with a typographical error on the EIN. Based on the EIN assigned to Seattle's Finest Cannabis LLC, which was renamed SFC LLC, I believe the EIN submitted was missing a digit and should have ended with 3580.

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

47. The following EIDL loan applications were submitted:

Entity Name / Submitted EIN (Last Four Digits)	SBA Application Number	Loan Amount[5]	Approx. Date of Application
Dituri Construction, LLC / 8508	3304338608	$115,000	6/7/2020
Dituri Construction LLC	3304925314	N/A – Loan Canceled	6/16/20
SS1 LLC / 7509	3304338551	$115,000	6/7/2020
SS1 LLC	3304924428	Canceled	6/16/20
Eric r Shibley, MD, PLLC d/b/a Shibley Medical / 9052	3600262629	$31,000	3/31/2020
ES1 LLC / 5849	3600261356	N/A – Loan Declined	3/31/2020
ES1 LLC	3304338652	N/A – Loan Canceled	6/7/20
Seattle's Finest Cannabis, LLC / 3580	3601282989	$15,000	4/15/2020
SFC LLC	3304338580	N/A – Loan Canceled	6/7/20
SFC LLC	3304338625	N/A – Loan Canceled	6/7/20
Eric Shibley (using his Social Security Number)	3601212749	$25,000	4/13/2020
Eric DBA Shibley (using his Social Security Number)	3601212786	N/A - Agency Hold	4/13/2020
The A Team Holdings LLC / 7088	3600260002	N/A – Loan Declined	3/31/2020

48. Through the investigation, the government has received records, including the PPP loan and EIDL applications, from many of the above financial institutions and lenders. All the applications for which the government has received records were submitted in SHIBLEY's name as the relevant entity's authorized representative and owner. Each application also identified SHIBLEY by his Social Security Number and

[5] The amount for an EIDL is not determined until the SBA accepts the loan application. As such, there are not loan amounts for some of the EIDLs.

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

identified the business address as the SHIBLEY Address. A copy of a Washington State driver's license in SHIBLEY's name and with his identifying information, including the SHIBLEY Address described above, also was submitted with some of the applications.

49. All the PPP loan applications listed above contained at least one materially false statement. SHIBLEY did not disclose on any of the applications that he was on active probation at the time of the applications and answered "No" to Question 5 of the application, as described above. These certifications were all false, as SHIBLEY remains on probation until December 2020.

50. Some loan applications carry other indicia of fraud as well. For example, Lender 2 has provided records relating to a PPP loan application submitted to Lender 2 for SS1 LLC seeking $820,000 on or about April 20, 2020. According to Washington SOS records, however, on or about March 3, 2020, SS1 LLC was administratively dissolved after the entity failed to file its 2019 annual report. (It was reinstated on or about April 6, 2020, after a fee was paid.) Furthermore, as described above, on or about May 29, 2020, an individual claiming to be SHIBLEY emailed Lender 2 a list with ten purported employees of SS1 LLC with what he claimed to be the last four digits of each individual's Social Security Number and phone number. The list included the same seven names (with the same Social Security Numbers and phone numbers) that were provided on the previous day, May 28, 2020, to Financial Institution 1, as employees of Dituri Construction LLC. As described above, six of the seven employees either had no association with SHIBLEY or his businesses or claimed to be employed by a business other than Dituri Construction LLC or SS1. In addition, the government has interviewed the three new individuals SHIBLEY provided for SS1 LLC. They too claim to be employed by entities other than Dituri Construction LLC or SS1 LLC.

CONCLUSION

51. Based on the above facts, I respectfully submit that there is probable cause to believe that ERIC SHIBLEY did willfully and knowingly, having devised and intending to devise a scheme and artifice to defraud, and for obtaining money and property by means

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

of false and fraudulent pretenses, representations and promises, and attempting to do so, transmitted and caused to be transmitted by means of wire, radio, and television communication in interstate and foreign commerce, writings, signs, signals, pictures, and sounds for the purpose of executing such scheme and artifice, in violation of Title 18, United States Code, Sections 1343 and 2.

52. Based on the above facts, I further respectfully submit that there is probable cause to believe that SHIBLEY knowingly executed, and attempted to execute, a scheme to defraud Financial Institution 1, a federally insured financial institution, and obtain monies owned and under the care, custody, and control of that financial institution by means of false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Sections 1344 and 2.

KATHLEEN MORAN, Complainant
Special Agent, FBI

The above-named agent provided a sworn statement attesting to the truth of the contents of the foregoing affidavit, and based on the Complaint and Affidavit, the Court hereby finds that there is probable cause to believe the Defendant committed the offenses set forth in the Complaint.

Dated this 29th day of June, 2020.

MICHELLE L. PETERSON
United States Magistrate Judge

UNITED STATES ATTORNEY
700 STEWART STREET, STE 5220
SEATTLE, WASHINGTON 98101
(206) 553-7970

UNITED STATES DISTRICT COURT

for the

Western District of Washington

CERTIFIED TRUE COPY
ATTEST: WILLIAM M. MCCOOL
Clerk, U.S. District Court
Western District of Washington
By _____ Deputy Clerk

United States of America
v.

ERIC RYAN SHIBLEY
Defendant

Case No. MJ20-385

ARREST WARRANT

To: Any authorized law enforcement officer

YOU ARE COMMANDED to arrest and bring before a United States magistrate judge without unnecessary delay
(name of person to be arrested) ERIC RYAN SHIBLEY,
who is accused of an offense or violation based on the following document filed with the court:

❒ Indictment ❒ Superseding Indictment ❒ Information ❒ Superseding Information ☑ Complaint
❒ Probation Violation Petition ❒ Supervised Release Violation Petition ❒ Violation Notice ❒ Order of the Court

This offense is briefly described as follows:

Wire Fraud and Bank Fraud, in violation of Title 18, United States Code, Sections 2, 1343 and 1344(2).

Date: June 29, 2020

Issuing officer's signature

City and state: Seattle, WA

Michelle L. Peterson, U.S. Magistrate Judge
Printed name and title

Return

This warrant was received on *(date)* _____, and the person was arrested on *(date)* _____
at *(city and state)* _____.

Date: _____

Arresting officer's signature

Printed name and title

This second page contains personal identifiers provided for law-enforcement use only and therefore should not be filed in court with the executed warrant unless under seal.

(Not for Public Disclosure)

Name of defendant/offender: ERIC RYAN SHIBLEY

Known aliases:

Last known residence: 4700 36TH AVE SW, SEATTLE WA, 98126-2716

Prior addresses to which defendant/offender may still have ties:

Last known employment:

Last known telephone numbers:

Place of birth: Armenia

Date of birth: 12/10/1978

Social Security number: 114-94-5264

Height: 6" Weight: 190

Sex: Male Race: Asian

Hair: Black Eyes: Brown

Scars, tattoos, other distinguishing marks:

History of violence, weapons, drug use:

Known family, friends, and other associates *(name, relation, address, phone number)*:

FBI number: 848037JC5

Complete description of auto:

Investigative agency and address: FBI Seattle

Name and telephone numbers (office and cell) of pretrial services or probation officer *(if applicable)*:

Date of last contact with pretrial services or probation officer *(if applicable)*: